

Company Number: 4337865

CONSUMERS INTERNATIONAL
Summarised Financial Statements
31 December 2005

CONSUMERS INTERNATIONAL

Summarised financial statements for the year ended 31 December 2005

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CONSUMERS INTERNATIONAL

Summarised financial statements

General information for the year ended 31 December 2005

Consumers International is a not-for-profit company limited by guarantee, registered in England. Established in 1960, it is governed by a Council elected from the organisation's membership.

Council Members in 2005 were:

President: Marilena Lazzarini, Instituto de Defesa do Consumidor (IDEC), Brazil

Vice President: Felix Cohen, Consumentenbond, The Netherlands

Treasurer: Breda Kutin, Slovene Consumers' Association (SCA)

Honorary Secretary: Samuel Ochieng, Consumer Information Network, Kenya

and

Saree Aongsomwang, Foundation for Consumers, Thailand

Pamela Chan, Hong Kong Consumers Council, People's Republic of China

Rosemary Siyachitema, Consumer Council of Zimbabwe

Salimata Diarra Coulibaly, Association des Consommateurs du Mali

Benedicte Federspiel, Forbrugerradet, Denmark

Armando Flores, Centro para la Defensa del Consumidor (CDC), El Salvador

James Guest, Consumers Union of the United States

Peter Kell, Australian Consumers Association (ACA)

Kim Jai Ok, Citizen's Alliance for Consumer Protection Korea (CACPK)

Sri Ram Khanna, Voluntary Organisation in the Interest of Consumers (VOICE), India

Nick Stace, Which? (United Kingdom)

Fernando Moner, Confederación de Consumidores y Usuarios, Spain

Indrani Thuraisingham, Federation of Malaysian Consumer Association (FOMCA)

Maria Jose Troya, Trubina de Consumidores Y Usuarios, Ecuador

Armand de Wasch, Association des Consommateurs/Verbruikersunie, Belgium

Dimitry Yanin, Inter-Republican Confederation of Consumer Societies (KonfOp), Russia

Director General

Richard Lloyd (from 1 September 2005)

Kim Lavelly (Acting from 1 June to 31 August 2005)

Julian Edwards (until 31 July 2005)

Company Secretary

Sam Manoharan

Secretariat and registered office

24 Highbury Crescent

London

N5 1RX

Auditor

Chantrey Vellacott DFK LLP

Chartered Accountants

Russell Square House

10-12 Russell Square

London

WC1B 5LF

Registered number

4337865

CONSUMERS INTERNATIONAL

Summarised financial statements – Report of the Council (incorporating the Directors' Report) for the year ended 31 December 2005

The Council of Consumers International, who are also the directors for the purposes of company law, are pleased to present this summary report and the financial statements for the year ended 31 December 2005. The audited accounts reflect the worldwide results for the organisation, including the activities of its constituent regional offices.

Status

Since January 2002, Consumers International (CI) has operated as a UK not-for-profit company limited by guarantee (Registered Number 4337865).

The regional offices in Chile, Ghana and Malaysia are variously registered with the national governments as local offices of an international NGO and are not considered to have independent financial status.

CI's Mission

Consumers International is a global association of consumer organisations dedicated to enabling national consumer organisations to be powerful, and creating and using a strong voice which speaks out for the consumer movement at the global level. Our aim is a world in which every country has comprehensive consumer protection laws and market regulation, effectively enforced; universal consumer education; and an independent consumer organisation able to represent consumer interests to policy and decision makers; and consumer's rights are acknowledged and respected in all relevant international decisions.

CI's Vision

CI believes in the right of all peoples to live in just and fair societies where consumer rights are established and respected and whose citizens have their basic rights satisfied; are protected against hazardous products and processes; live in a healthy and sustainable environment; play an active role in shaping policies that concern them; can make informed choices between a variety of goods and services; and have the knowledge and skills to be informed consumers. Recognising the particular needs of the poor and marginalized, we seek to empower all consumers to:

- Assert these rights both individually and collectively through consumer organisations
- Use their power in the market to drive out abuses and encourage high standards of corporate responsibility
- Ensure the accountability to consumers of global and regional organisations
- Support sustainable consumption and production practices.

Strategic objectives

CI's current strategic objectives are as follows:

- To carry out selected, strategically-focused, high-impact programmes, driven by global campaigns
- To help build and strengthen consumer organisations throughout the world
- To represent the interests of the world's consumers
- To be strong operationally and sound financially.

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(incorporating the Directors' Report) for the year ended 31 December 2005

Structure and Membership

CI is governed by a Council of 20 representatives of member organisations, which is elected at a General Assembly of all CI members. The staff are led by a Director General, who is accountable to the Council.

The organisation's head office is located in London with global and regional programmes supported through regional offices. For most of 2005 these were located in Santiago (Chile), Harare (Zimbabwe), Kuala Lumpur (Malaysia) and London (UK). A sub-regional office for West and Central Africa and small sub-regional co-ordination offices for Central America and the English-speaking Caribbean were maintained until September 2005. During the year, the Harare office was closed and a new regional office located in Accra, Ghana.

Membership remained stable in 2005 with more than 230 member organisations in some 113 countries.

Donor support

In addition to the annual membership fees paid by member organisations, CI received strong support from a wide range of donor institutions in 2005 (see the financial statements for a complete listing).

CI is most grateful for the continued financial support of members and other donors in 2005.

International Representation

CI has access to international institutions/negotiations through its collaboration with UN bodies, including World Health Organization, FAO/WHO Codex Alimentarius Commission, UN Commission on Sustainable Development, UN Conference on Trade and Development (UNCTAD) and the International Organization for Standardization (ISO).

Review of Activities

In 2005, a wide range of projects was completed in support of national, regional and international advocacy. These included the conclusion of research into frameworks for international decision-making in the areas of trade, standards and food safety, intellectual property, the impact on consumers of free trade agreements, and public utility reforms. Member participation in policy debates was supported by activities aimed at capacity building and facilitated by electronic communications.

Global Campaigns and Programmes

As mandated by its World Congress in Lisbon, CI gave emphasis to global **campaigning activities in the areas of food and trade**.

In 2005, CI continued pressing consumer demands for information, safety and environmental safeguards prior to the introduction of genetically modified crops and foodstuffs. **'Consumers Say No to GMOs'** was the theme of World Consumer Rights Day activities in 2005, with CI members from 50 countries participating.

On trade, CI's aim was to **put the consumer at the heart of trade policy**, with co-ordinated lobbying of national governments (by members) and delegations to the World Trade Organisation in Geneva. Several of CI's recommendations in a response to the UN consultation on the Millennium Development Goals (MDG) appeared in the revised draft. As part of the Make Poverty History campaign, CI attended the G8 conference in Gleneagles, Scotland, and questioned President Jacques Chirac and Prime Minister Tony Blair about the role of consumers in trade.

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Summarised financial statements – Report of the Council (incorporating the Directors' Report) for the year ended 31 December 2005

Programmes carried out by CI in 2005 included:

A **Global Governance/ Decision-Making in the Global Market** programme on the interaction between activities of international standards-setting bodies (Codex, ISO and IEC) and legal obligations set out in WTO rules. A final report and manual was launched at the WTO.

CI's programme on **Consumer Rights and Elimination of Poverty through Global Trade** monitored international developments in agricultural trade and access to services (utilities, health and education) and promoted pro-consumer competition policies. CI monitored the WTO agenda and bi- and multi-lateral trade negotiations around the world, in conjunction with its member groups. CI also monitored the impact of intellectual property agreements on consumers, especially in the areas of patents on drugs, plants and copyrights. CI conducted research on the impact of copyright and other practices and policies on access to knowledge in both print and digital educational materials.

A global **Food and Nutrition programme** was completed in 2005. Its four modules – biotechnology, food security, food safety and sustainable food consumption and production – contained research, capacity-building, advocacy and representation activities with member groups in all regions. CI obtained recognition by school authorities and their governments in the Asia region of the importance of nutrition issues relating to school children, and developed a Plan of Action for Quality and Safety of Street Vended Foods in cooperation with the FAO sub regional office of Eastern and Southern Africa. In addition, CI continued participation in selected Codex Alimentarius Commission committees.

Technical Standards: CI has observer status at the Consumer Policy Committee (COPOLCO) of the International Standards Organisation and, with increasing numbers of CI members participating, continued work on standards for stakeholder participation, second hand goods, and billing. A programme to enable participation by consumer groups in national processes of standardisation – through comparative product testing – was carried out with CI members from Argentina, Brazil, Chile, Colombia, Dominican Republic, Ecuador, Panama, Peru, the US and Canada.

CI members worldwide have strongly supported the development of a global ISO standard on **Corporate Social Responsibility**. The European Commission provided support for of a CI Media Network for sustainable consumption and CSR – establishing a core network of consumer journalists to carry out investigative research across Europe.

On **Sustainable Consumption**, CI's objective is the implementation of the UN guidelines for consumer protection in all countries, and strategies for sustainable production and consumption patterns. The UN Environment Programme published a CI training manual for implementation of the UN guidelines, and training sessions held attended by over 40 governments.

Consumer Protection Legislation: CI provided advice on Product Safety regimes for Malaysia and India, and assisted the development of consumer protection legislation in Cambodia, Laos and Bhutan.

The **Transatlantic Consumer Dialogue**, a coalition of EU and US consumer groups hosted by CI and funded by the European Commission and various US donors, entered its seventh year. The TACD further developed recommendations on food-related issues, electronic commerce, intellectual property and general trade issues.

Building a new CI

In 2005 CI's Council appointed a new Director General, Richard Lloyd, who started work on 1 September 2005. He was mandated to build on the many achievements of the past, while developing a new vision and strategy for CI focused on a stronger campaigning voice and the delivery of services to members. As a consequence, in late 2005 CI embarked on a programme of change, initially focused on management (including sound and strong financial management), planning, grant contract compliance, streamlined decision-making and improved communications. CI's organisational culture began to change, with a new staffing structure that is focused on impact and delivery, and Council members began a governance review.

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CI members were consulted on an operational plan for 2006, '*building a new CI which works for its members*', including plans for a full strategic review, the new organisational structure, and the allocation of resources to member services and campaigns. This work continues.

Financial summary

Consumers International received a total of £1,290,753 (2004: £1,216,120) in core income during the year, mostly as membership fees. Grants of £2,019,397 (2004: £1,714,627) were received from 26 agencies, making up 61% of total income (2004: 59%). Year 2005 was a year of reorganisation and strategic transition and £155,649 of exceptional expenditure was incurred in successfully achieving this and the year-ended with a deficit of £114,216 in core funds.

Consumers International seeks to build free reserves (general unrestricted reserves less tangible assets) of 20% of core income and at the end of 2005 this would have meant achieving £258,150 of free reserves. The free reserves at the end of the year were minus £7,069 (2004: £133,406) as a result of the exceptional expenditure on restructuring. Efforts to rebuild reserves are being prioritised by channelling all overhead income from projects to general reserves instead of using it to cover administration costs. Restricted reserves for programme activities (unspent project income) were £461,279 (2004: £554,472).

Statement of Council's responsibilities

Company law requires the Council, who are the directors, to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and the group and of the surplus or deficit of the company and the group for the period then ended.

In preparing those financial statements, the Council is required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company and the group will continue in operation.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and the group and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The maintenance and integrity of the company's website is the responsibility of the Council. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislations in other jurisdictions.

Auditors

A resolution to re-appoint Chantrey Vellacott DFK LLP as auditors of the limited company will be proposed at the next Annual General Meeting.

Signed on behalf of the Council:

BENEDICTE FEDERSPIEL

BREDA KUTIN

Date: 25 July 2006

CONSUMERS INTERNATIONAL

Summarised financial statements

Independent Auditor's statement to the members of Consumers International

We have examined the summarised financial statements set out on page 7 to 10.

Respective responsibilities of the trustees and auditors

The Council is responsible for the preparation of the summarised financial statements. We report to you our opinion as to the consistency of these summarised financial statements with the full financial statements, upon which we gave an unqualified opinion on 27 July 2006.

Basis of opinion

We have carried out the procedures necessary to ascertain whether the summarised financial statements are consistent with the full financial statements from which they have been prepared.

Opinion

In our opinion, the summarised financial statements are consistent with the full financial statements for the year ended 31 December 2005.

CHANTREY VELLACOTT DFK LLP

**Chartered Accountants
Registered Auditor
London**

Date: 30 January 2007

CONSUMERS INTERNATIONAL

Summarised financial statements Consolidated income and expenditure account For the year ended 31 December 2005

	Note	Core Funds £	Project Funds £	Total Funds 2005 £	Total Funds 2004 £
Income					
Membership fees		1,196,108	-	1,196,108	1,138,559
Project income		-	2,019,397	2,019,397	1,714,627
Overhead contribution from project income		-	-	-	40,056
Other income		94,645	-	94,645	37,505
Gross income arising in the year		1,290,753	2,019,397	3,310,150	2,930,747
Expenditure					
Project expenditure	1	-	2,182,303	2,182,303	1,495,805
Core expenditure (including £155,649 exceptional items)		1,380,626	-	1,380,626	1,180,970
Gross expenditure in the year		1,380,626	2,182,303	3,562,929	2,676,775
(Deficit)/surplus on operations, before transfers and exceptional items		(89,873)	(162,906)	(252,779)	253,972
Transfer between funds		(24,343)	24,343	-	-
(Deficit)/surplus on operations, being net (expenditure)/income for the year		(114,216)	(138,563)	(252,779)	253,972
Balances brought forward 1 January		222,553	554,472	777,025	560,488
Revaluation on exchange		13,538	45,370	58,908	(37,435)
Revalued balances brought forward 1 January		236,091	599,842	835,933	523,053
Balances carried forward 31 December 2005		121,875	461,279	583,154	777,025

The consolidated income and expenditure account contains all the gains and losses recognised in the year and the results are all attributable to continuing activities.

The note on page 9 and 10 forms part of the summarised financial statements.

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Summarised financial statements – Balance sheets as at 31 December 2005

	Group 2005 £	Company 2005 £	Group 2004 £	Company 2004 £
Fixed assets				
Tangible assets	128,944	73,470	89,147	35,995
Current assets				
Debtors	387,050	487,929	331,851	390,825
Cash at bank and in hand	670,575	530,980	781,314	605,207
	1,057,625	1,018,909	1,113,165	996,032
Creditors: amounts falling due within one year	603,415	721,932	425,287	807,147
Net current assets	454,210	296,977	687,878	188,885
Total assets less current liabilities, being net assets	583,154	370,447	777,025	224,880
Represented by:				
Core funds - Free reserves	(7,069)	(74,335)	133,406	59,934
- Fixed assets	128,944	73,470	89,147	35,995
	121,875	(865)	222,553	95,929
Project funds	461,279	371,312	554,472	128,951
Total funds	583,154	370,447	777,025	224,880

Council's statement in respect of Consumers International

The summarised financial statements have been agreed by our auditor, Chantrey Vellacott DFK LLP, as being consistent with the full financial statements for the year ended 31 December 2005. These were prepared in accordance with applicable law, United Kingdom Accounting Standards and the Companies Act 1985, and received an unqualified audit opinion.

These summarised financial statements are not the full statutory financial statements and therefore may not contain sufficient information to enable a full understanding of the financial affairs of Consumers International. For further information, the full Report of the Council and Accounts, and the Independent Auditor's report should be consulted. Copies of these can be obtained from the registered office (24 Highbury Crescent, London N5 1RX). The full financial statements were approved by the Council on 25 July 2006 and have been submitted to the Registrar of Companies.

The summarised financial statements were approved by the Council and signed on their behalf by:

BENEDICTE FEDERSPIEL

BREDA KUTIN

Date: 25 July 2006

The note on page 9 and 10 forms part of the summarised financial statements.

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Note to the summarised financial statements For the year ended 31 December 2005

1. Donor-funded project expenditure		2005	2004
		£	£
Project	Donor		
Communication and campaigns			
Bologna Conference on Genetically Modified Organisms	Regione Emilia (Rome), Dutch Government	6,502	-
CIRAO – Food	European Commission	(143)	143
GMO Campaigns	Dutch Government	102,595	27,447
Capacity Building for the Implementation of UN Guidelines on Consumer Protection (sustainable consumption in Asia)	U N Environment Programme	-	10,955
Standards Project	UNIDO - Asia	5,945	-
TSSP Consumer Protection and Fair Trade Programme on Trade Related Assistance	UNIDO - Ghana	5,408	-
Water Campaign	UNIDO - Pakistan	976	7,147
Decision making in the Global Market Place	Member contribution	-	968
Media Network for Sustainable Consumption	Ford Foundation (USA)	85,429	41,984
Transatlantic Consumer Dialogue 2002-04	European Commission	9,168	-
Transatlantic Consumer Dialogue 2004-05	European Commission	-	105,081
Transatlantic Consumer Dialogue and Intellectual Property	European Commission	72,398	3,663
Consumer Rights and the Elimination of Poverty through Global Trade	Rockefeller Foundation/Open Society Institute	103,640	29,095
Consumer rights and the Elimination of Poverty through Global Trade	Dutch Government, IDRC (Canada)	412,336	277,875
Food and Nutrition Programme	OXFAM	9,215	-
Food and Nutrition Programme	Dutch Government	516,026	358,356
Empowering and fostering consumers in the debate on GMOs	EED (Germany)	19,349	30,321
Empowering and fostering consumers in the debate on GMOs	HIVOS (Netherlands)	40,179	9,069
Empowering vulnerable consumers in Africa to access and influence water and sanitation services	EED (Germany), HIVOS (Netherlands)	16,796	-
Empowering vulnerable consumers in Africa to access and influence water and sanitation services	DFID (UK)	-	30,638
Empowering vulnerable consumers in Africa to access and influence water and sanitation services	World Bank	4,869	-
		1,410,688	932,742
Member services			
Strengthening the capacity for the emergence of a fair and transparent marketplace in Africa	African Capacity Building Foundation	100,788	106,674
Strengthening the capacity for the emergence of a fair and transparent marketplace in Africa	NORAD (Norway)	106,207	89,088
Archives project	Member contribution	-	1,354
UN Guidelines on Consumer Protection in Asia	U N Environment Programme, European Commission	5,970	24,409
Caribbean Mission	Member contribution, NOVIB (Netherlands)	16,325	5,878
Central American Mission	Member contribution, NOVIB (Netherlands)	8,225	12,880
Environmental Citizenship Programme	Global Environment Facility of UN Environmental Programme	42,329	10,030

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Note to the summarised financial statements For the year ended 31 December 2005

Donor-funded project expenditure (continued)		2005	2004
		£	£
Member services (continued)			
A Consumer Welfare Analysis of the Retail Market in 14 EU member states	European Commission	21,446	-
Consumer Protection in Cambodia	Anne Fransen Fund - Netherlands	708	-
Consumer Protection in Laos	Anne Fransen Fund - Netherlands	712	-
Consumer Protection Manual	UNCTAD	1,491	-
Access to Knowledge - Copyright as a Barrier to Accessing Books, Journals and Teaching Materials	IDRC (International Development Research Centre – Canada)	32,247	3,504
Consumer Credit and Indebtedness	Anne Fransen Fund - Netherlands	-	4,737
Asian Conference on Consumer Credit	Japan Foundation	-	9,835
Incorporation of consumer education in educational projects	Government of Cantabria, Spain	3,989	5,788
Emerging User Demands for sustainable Solutions (EMUDE)	U N Environment Programme, European Commission	3,816	3,365
Generation Access II	King Baudouin Foundation (USA), BEUC	10,653	-
Gender Project	NOVIB (Netherlands)	3,275	10,117
Training on responsible consumers and CSR	The Basque Government	3,594	-
Membership Development & Consumer Protection/Education	Member contribution	-	8,013
Strengthening the participation of Consumer organisations in Latin America and Caribbean in the standardisation process	IDRC (International Development Research Centre – Canada)	87,020	42,005
Olle Hansson Award	Olle Hansson Award Fund	5,436	-
Institutional funding for work in Latin America and Caribbean region	NOVIB (Netherlands)	68,112	63,508
PROCONNECT (Protecting Consumers in E-Commerce Transactions)	European Commission	65,086	32,300
Regional Conference Latin America and Caribbean	Consumentenbond (Netherlands) NOVIB (Netherlands), Government of Dominican Republic	22,968	-
Research in Traditional and Complementary Medicine (TCM)	Anne Fransen Fund - Netherlands	5,249	8,617
Research in TCM	Japan Foundation	9,703	-
Southeast Asian Conference on Consumer Protection	Member contribution	1,344	-
Tobacco Project	INFACT (Geneva)	3,455	4,117
Increasing access to Justice through Consumer Advice and Mediation Centres	European Commission	37,912	-
Russian Consumers in a Global Market Task Force	European Commission Karpatkin Advocacy Funds	67,704 (834)	58,360 3,131
Training on Sanitary and Phytosanitary (SPS) measures	GTZ (Germany)	2,461	-
UNF Channel For Outrage	World Health Organisation	-	2,213
Urban Water & Sanitation Sector Reforms	World Bank	-	28,592
Other projects	Various donors	11,803	14,000
World Congress 2003	European Commission and various Funders	-	7,566
		749,194	560,081
Currency adjustments		22,421	2,982
Total project expenditure		2,182,303	1,495,805